

**2010**



# **UPPER COLORADO RIVER BUSINESS PLAN**

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### **Executive Summary:**

This business plan outlines the Upper Colorado River Special Recreation Management Area (UCR SRMA) fee program and proposes changes to the current fee schedule.

The UCR SRMA is located in Grand and Eagle Counties in North Central Colorado. The SRMA is managed for river-related recreation opportunities, primarily rafting and fishing. An estimated 60,000 people visit the area each year. There are currently 55 commercial outfitters permitted to offer services to visitors (e.g. guided rafting, guided fishing, shuttle services). Historically 60 – 70% of the use has been commercial; however, trends suggest an increase in private use. Overall use (i.e. private and commercial use combined) has remained stable over the past ten years.

The current fee program was initiated in 1998 as part of the Recreation Fee Demonstration Program. Fees were charged for day use and for overnight campsites. Following the passage of the Federal Lands Recreation Enhancement Act (FLREA), the program was evaluated to ensure compliance with the new legislation. The program was found to be in compliance, and all fees were categorized as expanded amenity fees.

There are two sites where fees are collected, Pumphouse and Radium. The Pumphouse site is a popular put-in for rafters and anglers. The site has 18 individual and two group campsites with picnic tables, fire rings, and tent pads. There are five boat ramps, a public water system, 12 vault toilets, three kiosks, two gravel parking lots at the site, and the BLM collects trash on site. The Radium site has six individual and two group campsites with picnic tables, fire rings, and tent pads. There is one boat ramp, two kiosks, five vault toilets, and a gravel parking area. The BLM collects trash on site.

The BLM proposes two changes to the current fee schedule. First, the BLM proposes changing the day-use fee from an expanded amenity fee to a standard amenity fee. All services are offered at both sites to comply with FLREA for a standard amenity fee. This would allow greater use of America the Beautiful Passes. The second proposed change is to increase the day-use fee from \$3.00 to \$4.00 for private users and from \$1.00 to \$1.25 for commercial users. This increase is an inflationary increase and would allow the BLM to continue to maintain the same level of visitor services.

### Fee Site Description:

The Upper Colorado River fee program includes two fee sites, Pumphouse and Radium. The fee sites are located on the Colorado River approximately 10 miles south and west of Kremmling, Colorado. Both fee sites are in Grand County and are part of the larger Upper Colorado River Special Recreation Management Area (UCR SRMA). Both fee sites are in Congressional District 2.

The Pumphouse recreation site includes three launch areas with five boat ramps (including one boat slide), 18 individual campsites, two group campsites, a public water system, two parking lots, twelve vault toilets, two kiosks, two host sites (trailer hookups), and electrical outlets at all three boat ramps.

The Radium recreation site includes one launch site with one boat ramp, five vault toilets, six individual campsites, two group campsites, two kiosks, a day-use picnic area, one host site (trailer hook-up), and an electrical outlet at the boat ramp.

The BLM began collecting fees in 1998, at both Pumphouse and Radium under the Recreation Fee Demonstration Program. With the passage of the Federal Lands Recreation Enhancement Act (FLREA) in 2004, the BLM conducted an assessment of both fee sites to ensure compliance with the FLREA. Both sites were determined to be in compliance with the FLREA as expanded amenity sites. Fees are collected from May 1 through October 31. Current fees authorized under the FLREA for the two sites are as follows:

|          |   |
|----------|---|
| Camping: | \$10 per site per night for individual campsites (Pumphouse)<br>\$6 per site per night for individual campsites (Radium)<br>\$30 per site per night for group campsites (Pumphouse & Radium) <ul style="list-style-type: none"> <li>• Camping fee includes day-use fee for <u>one</u> vehicle</li> <li>• Any additional vehicles at campsites must pay the day-use fee</li> </ul> |
|----------|---|

|          |   |
|----------|---|
| Day-Use: | \$3 per vehicle per day for public<br>\$1 per person per day for commercial clients |
|----------|---|

Season Pass: \$15

- The season pass can only be purchased at the BLM office in Kremmling
- The season pass only covers day-use fees for one vehicle

Pumphouse and Radium are two of five river access points within the Kremmling Field Office (KFO) used by rafters, kayakers and anglers along the Colorado River. Of the remaining three access points, one is managed by the BLM at the Confluence of the Blue and Colorado Rivers, and the other two are privately owned (Rancho del Rio and State Bridge). The BLM does not charge fees at the Confluence site, since boaters that put in at the confluence, run Gore Canyon, and take out at Pumphouse. Both Rancho del Rio and State Bridge charge fees for river access.

Rancho del Rio charges \$1 per person to access the river, and State Bridge charges \$3 per person for access.

The UCR SRMA was designated in the 1984 Kremmling Resource Management Plan (RMP) to manage for river-related recreation opportunities including rafting, kayaking, fishing and camping. As part of the current revision of the 1984 RMP, Arizona State University conducted a visitor preference survey that targeted users within the UCR SRMA. The survey results suggest that the SRMA is valued for 1) opportunities to participate in river-related activities (rafting, kayaking, fishing, and camping); 2) the close, easy access from front range communities; 3) the natural settings (scenery, wildlife); and 4) the opportunity to spend time with family or friends. The survey indicates that visitors achieve a high level of satisfaction from their visits to the SRMA (4.3 on a scale of 1 – 5, with 5 being extremely satisfied).



Upper Colorado River SRMA



Pumphouse Parking



Pumphouse Launch #1



Pumphouse Launch#1





Pumphouse Launch #2



Pumphouse Launch #2



Pumphouse Launch #2 Toilet



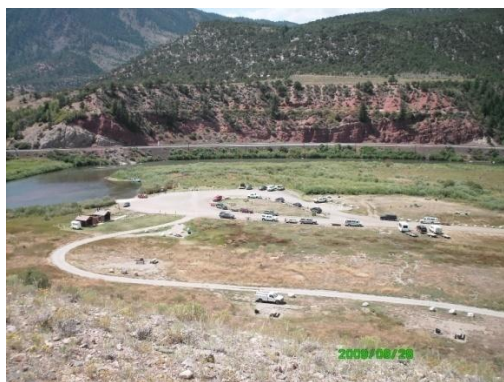
Pumphouse ADA Campsite



Pumphouse Campsites



Pumphouse Launch #3



Radium Recreation Site



Radium Recreation Site



Radium Group Campsites



Confluence Boat Slide

### Visitor Demographics:

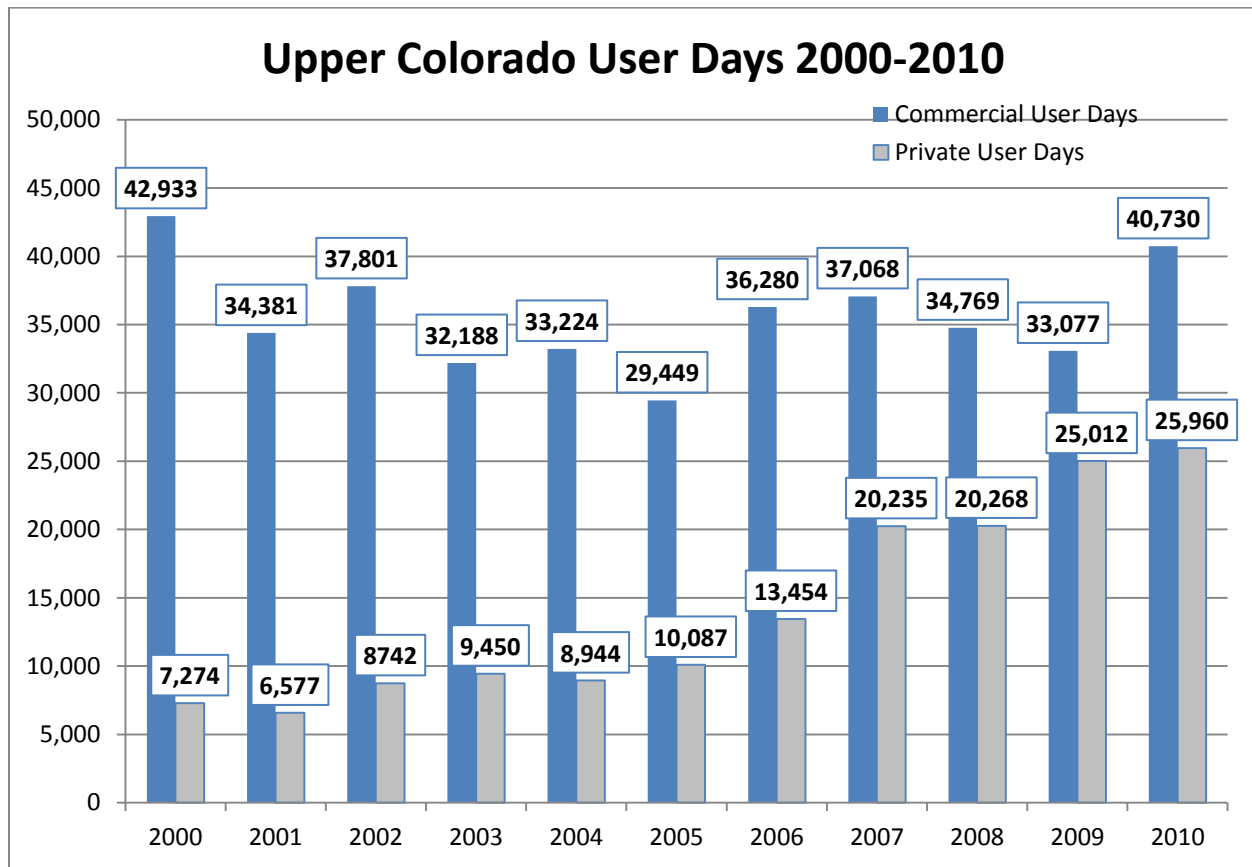
The UCR SRMA has two categories of visitors. The first category is the private, non-commercial visitor. These visitors originate within a two-to-three hour radius of the SRMA. The majority of these visitors are from Front Range communities, including the Denver metropolitan area. These visitors use the SRMA as a day trip or as a multi-day trip that includes camping either at one of the recreation sites or along the river.

The second category of visitor is the commercial visitor. These visitors use one of the 55 outfitters that are permitted on the river. These visitors are usually staying at one of the resort communities in Summit, Grand, Eagle, and Routt Counties (Winter Park, Breckenridge, Vail, Steamboat Springs, etc.). The majority of these visitors participate in ½ day rafting trips. Other popular outfitted trips include full-day rafting trips and float and wade fishing trips.

### Recreation Use:

The Upper Colorado River is a popular river for both commercial outfitters and private users. Table 1 shows the use trends on the Upper Colorado for the past decade for both commercial and private users. As the table suggests, there has been a recent increase in private use. Use data over the next few years will verify whether there is a long-term trend in rising private use.

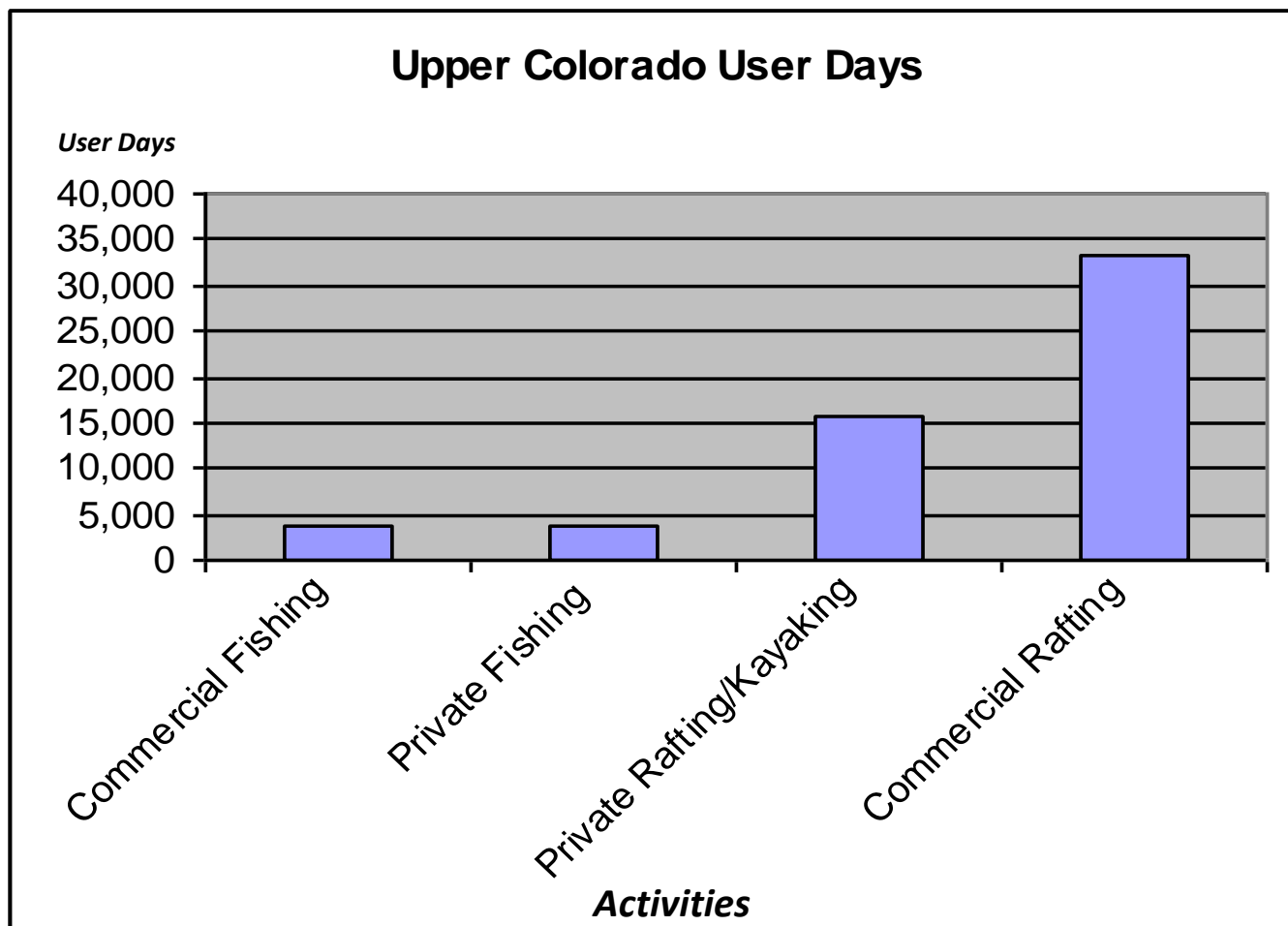
Table 1:





The primary use season on the Upper Colorado River is between May and October. Fishing is popular throughout the primary use season, while rafting use is concentrated in the months of June, July, and August. Table 2 shows the distribution of use based on primary activities.

Table 2:



Use trends on the Upper Colorado River appear to be relatively stable. Other than the recent increase in private user days, overall use on the river has not seen dramatic changes. Based on the historic use patterns and relatively flat growth in the rafting industry, the BLM does not anticipate significant changes in use. Two emerging issues the BLM will be looking closely at over the next few years will be float-fishing numbers and the trend of increased private use. As the graph on page 7 suggests, commercial user days are flat or declining, and private user days are increasing. Both float fishing and private use result in a lower visitor per boat and visitor per vehicle ratio. Typical commercial rafting trips use vans or buses to transport equipment and people, as result, average commercial trips have a higher visitor per vehicle ratio, averaging anywhere between eight and forty visitors per vehicle. Commercial rafting trips also have higher visitor per boat ratios, averaging between six and ten passengers per boat. Private rafting and float fishing (both commercial and private) trips average three visitors per vehicle and per

boat. An overall increase in float-fishing and private rafting numbers would result in more boats at launch sites and on the river and more vehicles at the river access points.

### **Financial Analysis:**

Currently, the fees collected at the two fee sites provide the minimum funding necessary to operate and maintain the two fee sites and provide services along the river corridor. Any capital improvement within the SRMA is dependent on new appropriated funds.

#### **Annual Costs:**

##### **Payroll:**

|                                    |          |
|------------------------------------|----------|
| Seasonal employee (operations)     | \$18,000 |
| Seasonal employee (operations)     | \$10,000 |
| Recreation Technician (operations) | \$28,000 |
| Front Desk (visitor service)       | \$10,000 |
| 15% Administration/Overhead        | \$18,250 |
| Law Enforcement                    | \$38,000 |

##### **Maintenance:**

|                              |                  |
|------------------------------|------------------|
| Road Maintenance             | \$7,500          |
| Toilet Pumping               | \$6,500          |
| Supplies/Services            | \$11,000         |
| Utilities                    | \$7,500          |
| Vehicles                     | \$15,000         |
| Facility repair/maintenance  | \$15,000         |
| <b>Total Annual Expenses</b> | <b>\$184,750</b> |

#### **Annual Revenue:**

|                                     |                  |
|-------------------------------------|------------------|
| Maintenance Appropriated funds      | \$42,477         |
| Fee Collection (Private day use)    | \$19,200         |
| Fee Collection (Commercial day use) | \$29,072         |
| Commercial River Outfitters         |                  |
| Special Recreation Permit Fees      | \$67,000         |
| Campground Fees                     | \$6,500          |
| <b>Total Annual Income</b>          | <b>\$164,249</b> |

#### **Future Development Costs:**

|  |                  |
|--|------------------|
| Pumphouse Launch #3 Rebuild            | \$21,000         |
| Pumphouse Parking Lot Improvements     | \$36,000         |
| Pumphouse Parking for Group Camp Sites | \$17,000         |
| Radium Launch Site                     | \$250,000        |
| New storage facility at Pumphouse      | \$100,000        |
| Improve Pumphouse access road          |                  |
| (new gravel, grading, mag chloride)    | \$100,000        |
| Update and publish a new river guide   | \$25,000         |
| <b>Total One Time Expenses</b>         | <b>\$549,000</b> |

### **Cost Recovery Assessment:**

Currently, total annual revenue (including appropriated funds) is not covering the annual expenses of the program. The BLM currently experiences a shortfall of approximately \$20,000 annually. Current levels of operations, maintenance, visitor services and all future development projects would require additional appropriated funds.

#### **Fair Market Value Assessment:**

Other comparable fees for public land amenities in the area include:

#### **Dillon Ranger District (White River National Forest)**

|                                      |   |                                |
|--------------------------------------|---|--------------------------------|
| Cataract Lake Trailhead (day use)    | - | \$5 per vehicle per day        |
| Green Mountain Reservoir Campgrounds | - | \$5 - \$10 per site per night  |
| Dillon Reservoir Campgrounds         | - | \$10 - \$22 per site per night |

#### **Sulpur Ranger District (Arapahoe/Roosevelt National Forest)**

##### **Arapahoe National Recreation Area:**

|                                      |   |                                |
|--------------------------------------|---|--------------------------------|
| Day use                              | - | \$5 per vehicle per day        |
| Annual Pass for day use              | - | \$30 per vehicle               |
| Walk-in or bike-in day use           | - | \$2 per person per day         |
| Campground (concessionaire operated) | - | \$16 - \$21 per site per night |

#### **Yampa Ranger District (Medicine Bow/Routt National Forest)**

|                                |   |                         |
|--------------------------------|---|-------------------------|
| Campgrounds                    | - | \$10 per site per night |
| Designated dispersed campsites | - | \$5 per site per night  |

When compared with the surrounding Forest Service sites, the day use fees at Pumphouse and Radium are priced below current market value. The campground fees at Pumphouse and Radium are aligned well with other government-run campgrounds in the area. The concessionaire-run campgrounds in the Arapahoe National Recreation Area are priced higher than those at Pumphouse and Radium. These more expensive campsites provide RV trailer hookups.

### **Rationale for Fee Change:**

The BLM Kremmling Field Office proposes two changes to current fees.

First, the BLM Kremmling Field Office proposes to change the classification of day use fees from an expanded amenity fee to a standard amenity fee. The original evaluation of the fee program to ensure compliance with the FLREA classified all fees at the two fee sites as

expanded amenity fees. Both the Pumphouse site and the Radium site offer designated developed parking areas, permanent toilet facilities, permanent trash receptacles, kiosks, picnic tables, and security services (BLM law enforcement). With the classification change, the public can now use the America the Beautiful - The National Parks and Federal Recreational Lands Annual Pass (Interagency Pass) for access to the site. As an expanded amenity fee, holders of the Interagency Pass and the Volunteer Pass must pay the day use fee, and holders of the Senior and Access passes must pay 50 percent of the day use fee. Under the new classification, holders of the Interagency and Volunteer Passes would not pay a day use fee and would pay full price for camping fees. Holders of Senior and Access Passes would not pay a day use fee and would pay 50 percent of the camping fees. Changing the classification of the day use fee from an expanded amenity fee to a standard amenity fee would have minimal impact to overall fee revenue. The BLM estimates less than 200 visitors currently use the Interagency Passes at the two fee sites. Revenue loss as a result of the classification change would be less than \$1,000 per year.

The second change to the current fees would be to increase the day-use fees. First, based on the market evaluation of other public land fee sites in the area, the BLM sites are undervalued. Surrounding US Forest Service sites are charging \$5.00 for day-use fees. Second, the current day-use fee has not changed since it was first established in 1998. During that time, the BLM's annual maintenance and operations costs have gone up with inflation, while fee income has remained constant. Based on the Consumer Price Index calculator, inflation has impacted the BLM's operating and maintenance costs by 24.3 percent over the past decade. To keep pace with inflation and provide the same level of services, the BLM needs to increase its day-use fees. Taking inflation into account, the KFO proposes raising the day-use fee for private users from \$3 to \$4 per vehicle per day. The commercial day-use fee would be raised from \$1 to \$1.25 per person per day. The season pass would be raised from \$15 to \$20. After presenting this business plan to the Resource Advisory Council, they suggested we increase the day use to alleviate the BLM Kremmling Field Office from needing to go through this process in one or two years because of additional inflation. Accordingly, the BLM Kremmling Field Office is proposing to the Recreation RAC to raising the day-use fee from private users from \$3 to \$5 per vehicle per day.

### **Objectives for Use of Fee Receipts:**

New fee receipts would be used to prevent the loss of current services provided at the two sites due to the rising costs and increase in demand.

### **Social/Economic Impacts:**

The proposed fee changes would impact both private and commercial users on the river through higher costs to use both the Pumphouse and Radium sites. If the increase is considered in the context of the overall trip expenses, the fee increase would be minimal. According to data collected as part of the Arizona State University Visitor Study (2007), day-use visitors spent an

average of \$163 per visit. The proposed increase of \$1 per vehicle per day would amount to an increase of less than one percent of the average day-use visitor's trip cost. When compared with other government fee sites in the area, the day-use fees at both fee sites would be less than other government-run sites.

#### **Visitor Feedback Mechanisms:**

Visitor feedback opportunities are provided through on-site visitor contacts, webmail and fee envelopes. BLM personnel are on site at both fee sites throughout the use season, providing visitors opportunities to provide feedback. The Kremmling Field Office maintains and monitors a webmail account that visitors can use to provide feedback. The opposite side of the fee envelope flap is a comment card that visitors can fill out and deposit in the fee tube.

The BLM provides updates on how fee revenue is used through a triennial report for Congress that shows accomplishments for all fee programs within the BLM. The Pumphouse and Radium Sites are included in that report. Additionally, annual fee revenue and expenditures are posted on-site at Pumphouse and Radium.

#### **Public Participation:**

The Kremmling Field Office will solicit public comment on the proposed fee changes through a press release that targets media in Denver, Fort Collins, Grand Junction, Grand County, Eagle County, Summit County, and Routt County. Emails will be sent to all outfitters permitted on the river in both the Kremmling and Colorado River Valley Field Offices. A notice will be posted on the BLM Kremmling website, and a posting will be placed on the popular boating website Mountain Buzz. Presentations will be made to the Grand County Board of Commissioner and the Northwest Colorado Resource Advisory Council.